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Approved For Release 2004/07/07 : CIA-RDP76B00734R000200210002-5

DD/S&T#3589-73

14 November 1973

MEMORANDUM FOR: [REDACTED]

Special Assistant for NSC and USIB
Affairs, O/DDI

SUBJECT : CIEPSM No. 25 - US Policy on the Export
of Computers to Communist Countries

The appropriate components of OER have reviewed CIEPSM No. 25 in draft and recommend that the suggestions given below be adopted. The comments of OSR and DD/S&T also are attached.

Part I

Introductions, Options, and Recommendations

1. Page 10, Paragraph 2:

The sentence beginning with "Apparently, improving the national telecommunications . . ." should be eliminated. There is no convincing evidence that the Chinese are prepared to replace their predominantly "step-by-step" switching system with an electronic switching system.

2. Page 21, Option 8, Paragraph 2. last sentence:

The implication is that because the Chinese computer industry is not centralized like the Soviet Union's industry, China will not be able to rapidly exploit Western computer technology or equipment to support military programs. A more likely reason for a slower rate of exploitation by the Chinese would be the relatively lower-level of technology currently employed by their military programs.

An additional problem is the explicit statement that the computer industry of the Soviet Union is centralized.

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On the contrary, computer production and R & D in the USSR, is spread over various ministries and administrative organs, and the lack of effective central direction is a major factor hampering progress.

Part II

Supporting Material

1. Page 31, Paragraph 2:

This paragraph is too strongly worded. There is no evidence that military computer production is more effective than the commercial effort. In fact, most know military computer applications involve standard Soviet commercial machines. In addition, we do not know Soviet military computer requirements and, therefore, cannot say to what degree these have been satisfied.

2. Page 32, Paragraph 3, last sentence:

The implication is that the Soviets are producing, in series, disc units of the IBM-2311 and 2314 types. Although prototypes of these units have been shown, there is no evidence that the Soviets are delivering significant quantities of drives either for RYAD machines or for other native models. In fact, the USSR has imported Western drives and packs for connection to installed RYAD computers.

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4. Page 58, Paragraph 4, last sentence:

Remove the word "strong." There is no evidence to support this.

5. Page 59, Paragraph 2, sentence 1:

Model 111 is no longer the most powerful computer built by the Chinese. A new large-scale digital computer (model number unknown) announced in August is reportedly 5 times as fast as the 111 and has double the storage capacity.

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13 November 1973

MEMORANDUM FOR: SA/OER

ATTENTION:

SUBJECT

: Coordination of OER Request for Comments on
CIEPSM No. 25 - U.S. Policy on the Export of
Computers to Communist Countries

1. The subject draft has been reviewed by OSR.
2. This Office:
 - ☐ Concurs.
 - ☐ Concurs provided that the revisions as shown on the attached draft are adopted.
 - ☐ Concurs and offers the comments shown on the attached draft as suggestions.
 - ☒ Has no comment or objection.
 - ☐ Cannot coordinate the subject draft for the reasons shown.

Draft retained by OSR/SF/C.

Chief
Planning Staff, OSR

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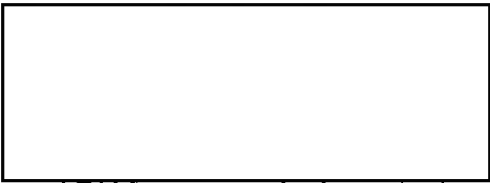
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S E C R E T

DD/S&T-3509-73

MEMORANDUM FOR: Deputy Director, Office of Economic Research
SUBJECT: Comments on CIEPSM No. 25, U.S. Policy on the
Export of Computers to Communist Countries
REFERENCE: DDI Memorandum dated 2 November 1973, same
subject (DDI-4768/73)

This Directorate was represented on the working group that prepared the basic supporting material for the study (Part II) and contributed the sections on foreign computer technology. The summary (Part I) reflects accurately the efforts of the working group, and we have no further comment.


Donald H. Steininger
Associate Deputy Director
for
Science and Technology

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9 NOV 1973

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